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SOFT DRINKS ☐ BEER ☐ BOTTLED WATER ☐ WINE ☐ POWDERS ☐ JUICES ☐ SPIRITS

JUNE 11, 1982

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MARKETING ☐ DISTRIBUTION ☐ TECHNOLOGY

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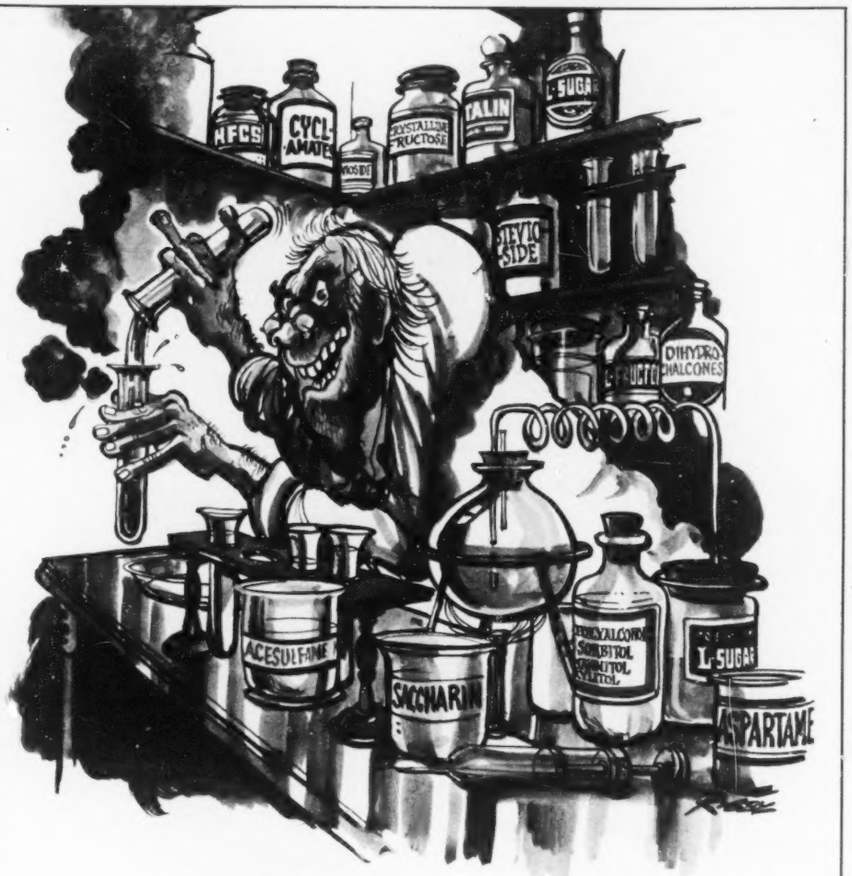

Formulators explore range of alternative sweeteners

By Steve Price
Assistant Editor

SPECIAL REPORT—As high fructose corn syrup (HFCS) continues to take a higher percentage of the sweetener market, still other alternatives to sugar are being sought.

Experimental sweeteners such as aspartame, polyalcohols, and

(Continued on page 20)

$637 million market:

Study: 10.5% of firms control 56.7% of bottled water sales

By Paul E. Mullins
Editor

MINGO JUNCTION, OH—Approximately 10.5% of U.S. bottled water firms—some 34 establishments all with volumes of over $5 million each — control more than half the total U.S. bottled water business. The figures were revealed in a new study recently compiled by Beverage Marketing Corp., located here.

The study, which is the result of almost three years research, pegs the total dollar volume at $637 million; gallonage is 621.3 million. Both numbers are considerably higher than previously published statistics.

"That's one reason we have resolutely pursued this market study," Michael Bellas, BMC president, told **Beverage Industry.** "We just did not believe some of the data being offered."

Bellas's firm, which provides confidential market research in-

(Continued on page 4)

Kennedy support key to movement on food safety

WASHINGTON, DC—The timely topics of food safety and federal deficits were explored by government policy makers and industry observers during the National Soft Drink Association's recent public affairs conference.

Although the food safety issue has languished on Capitol Hill, Sen. Orrin Hatch (R-Utah), chairman of the Labor and Human Resources Committee, told the bottlers that there is a glimmer of hope for some movement or attention now that Sen. Edward Kennedy (D-Mass) has shown his support for the concept.

"We've gotten the Kennedy people to come up with a bill that Rep. Henry Waxman (D-Calif) might go along with," Hatch

(Continued on page 13)

BI Week

• Crush International has introduced new packaging and new ad themes for both Hires and Crush. Crush packages show replicas of actual fruits—a first for the company. Hires has been reformulated with slight package changes. Sun Drop is also in line for a new look and new promotional push. Firm has told bottlers that it will move operations to Cincinnati, headquarters of Procter & Gamble. Frank O'Donnell will retire as president, but remain active for the firm. R. S. "Rich" Gurin is general manager and will continue to head the operation in the new location.

• Coca-Cola's surprise $400-plus million acquisition of Associated Coca-Cola is second largest deal in soft drink industry. The franchisor picked up the bottler's Florida, Pennsylvania, New Jersey and New York territories reportedly to prevent them from being acquired by elements "which would possibly not operate the firm in the best interests of the brand." Coca-Cola has said it will resell the company and has not ruled out the possibility that it will be divided.

• Mechanical pilfer-proof closure feature has been developed by H-C Industries and is being tested in Kentucky. The ring has small fingers which reportedly open to engage the bottle finish as the closure is applied. Both H-C and Owens-Illinois are reportedly

(Continued on page 35)

Coalition seeks warning labels on wine, beer

WASHINGTON, DC—Beer and wine makers are undaunted by a consumer coalition's request that they voluntarily place ingredient and warning labels on their products and educate the public about the hazards of alcohol consumption.

The coalition, spearheaded by the Center for Science in the Public Interest, asked industry to: list calories, ingredient and additives on labels; place warnings on labels about birth defects, drunk driving, cirrhosis of the liver, loss of mental facilities and cancer; stop using ads associating alcoholic beverages with social, business, athletic or sexual success; cease youth-oriented marketing campaigns; and contribute part of their marketing budget toward an independent Foundation for the Prevention of Alcohol Problems that would mount prevention-oriented media campaigns.

(Continued on page 23)

BI Package of the Week

Dare revamps packaging, reformulates, page 6

Contents

HFCS leads way in sugar alternatives

During the past year, the sweetener industry has been dominated by the continuing success of high fructose corn syrup (HFCS). Sugar consumption in this country is down, as are deliveries of US sugar for domestic consumption. The success of HFCS has not, however, stunted further growth in the area of alternative sweeteners. To find out more about the future of sweeteners, see **page 1.**

Bottled water market ruled by 34 plants

Approxmately 56.7% of the bottled water industry is controlled by only 10.5% of that industries' firms, according to recent study by Beverage Marketing Corp. The BMC study puts the industries' total dollar volume at $637 million, and total gallonage at 621.3 million, both substantially higher than previously published statistics. For a more in-depth look at the bottled water business, turn to **page 1.**

'Saccharin is safe' says Cancer Inst.

The National Cancer Institute, in a study done in 1980 of human use of artificial sweeteners, has concluded that ". . . there is no evidence for an association between non-nutritive sweeteners and bladder cancer." The findings of the study were confirmed in a review conducted by Epidemiology Resources Inc. The NCI study is the largest bladder cancer study ever done. For more details of the study, see **page 4.**

'White Paper' rebuts report on bottle bill

With bottling bill legislation pending in New York State, an industry 'White Paper' rebutting the government report on the effects of the bottle bill has been issued. Sidney Mudd, chairman of Joyce Beverages, has issued the paper that opposes the bottle legislation. The paper serves to point out the adverse effects of the bill on the consumers and industry alike. For more information on this important issue, turn to **page 5.**

IFT gives course on ingredients

The Institute of Food Technologists is presenting a course in "Ingredient Technology" in Las Vegas at Caesars Palace June 21-22. The Institute's continuing education committee will give the short course, which will be directed at practicing food scientists, technologists, and technical managers. For a program outline, see **page 16.**

Departments

Ad Index	32
Classified Ads	29
Editorial	34
New Products	28
News Makers	27
Reader Service	11
Supply House	24

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Yoshino adds two new designs of PET bottles

TOKYO, JAPAN — Yoshino Kogyosho Co. has come up with two new PET beverage bottle designs, both being used by Sapporo Brewery Co.

The first bottle contains Sapporo's new (April, '82) non-carbonated juice drink, "Ribbon." The product comes in two flavors, orange and grapefruit-type. Ribbon contains 10% juice and 10% cells derived from summer fruit grown in Japan. The cells are added to enhance the drink's health image (high fiber content); 1-L bottles retail for 330 yen, or about $1.75.

Ken Uesugi, director of sales at Yoshino America Corp., located near Chicago, said that lots of interest has been expressed in the new 1-L package from companies overseas and in the U.S.

"Ribbon" is new from Sapporo in 1-L PET.

The unique feature of the 1-L is pleats, or ribs, around the bottle that allow it to maintain its

(Continued on page 23)

Bottled water gallonage and sales by region

Region	Number of establishments	Estimated wholesale sales*	Percentage of total	Estimated gallonage volumes*	Percentage of total
New England	23	$42,750	6.7	42,050	6.8
Mideast	63	$97,750	15.3	98,350	15.8
Great Lakes	47	$64,750	10.2	66,850	10.7
Plains	20	$21,000	3.3	21,950	3.5
Southeast	62	$83,750	13.1	86,500	13.9
Southwest	38	$69,750	10.9	68,050	10.9
Rocky Mts.	16	$13,000	2.0	13,850	2.2
Far West	55	$244,250	38.3	223,700	36.0

*Add 000

Source: Beverage Marketing Corp.

Copyright: Beverage Industry June 11, 1982

Bottled water

(Continued from page 1)

formation on the soft drinks, beer and related beverage industries, has refined a list of bottled water firms by checking with major industry sources, **Beverage Industry,** association officials and personal contacts.

"The final list which we derived was additionally checked by personal or telephone contact to determine the data we felt was needed to put together the definitive market study," he said.

In addition to a national demographic picture, the 165 page report also has information on regional and state sales and gallonage.

"Since this is BMC's first bottled water report, our initial report does not include trend information," comments Janet Fanshaw, BMC vice president. "In future years, our data will begin to reveal significant changes within the industry."

Dollar sales volume includes bottled water sales and other products which the firms sell or

(Continued on page 22)

One-piece package system debuts for plastic bottles

NEW YORK — A one-piece partitioned corrugated container and packaging system for plastic bottles has been developed by International Paper Co. here.

The TraCell container is formed from a single-wall corrugated blank that, when folded, has two or three integrated cells, depending on bottle size and arrangement desired.

The need to insert separate inner partitions for top-to-bottom container support is eliminated.

The TraCell packaging machine forms containers in a single step at 25 per minute; the system accomodates containers ranging in size from 14 oz. to 1 gallon.

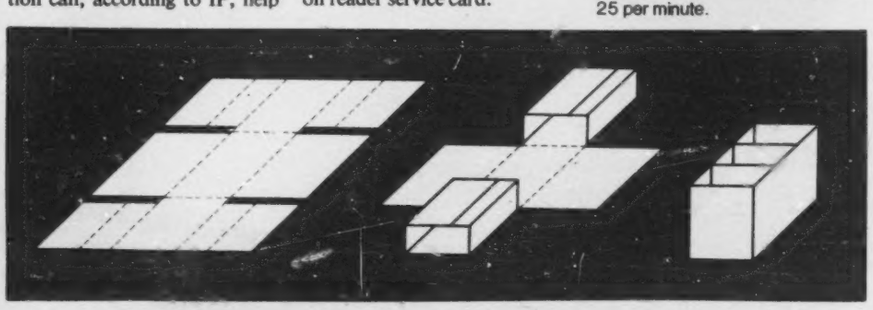
TraCell's one-piece construction can, according to IP, help packers simplify packaging lines and reduce downtime, while also cutting costs by eliminating the inner packaging and the labor and machinery to insert it.

Because packers need only to inventory the corrugated blanks instead of knocked-down regular slotted cartons and accompanying inner packaging, warehouse space is freed and handling requirements reduced.

TraCell's 3000 lbs. of top-to-bottom compression strength enables product to be stacked three pallets high, five layers to a pallet.

•For more information on **IP's TraCell container and packaging system,** circle no. 545 on reader service card.

Packaging machines run TraCell's at 25 per minute.



National Cancer Institute confirms saccharin safety

ATLANTA, GA — An independent review of the National Cancer Institute's (NCI) 1980 study on the human use of artificial sweeteners has concluded that "In the general study group, there was no evidence for an association between non-nutritive sweeteners (saccharin and cyclamate) and bladder cancer."

The review, conducted by Epidemiology Resources Inc. (ERI), confirms the overall finding of the NCI study. "The ERI conclusion further reassures those persons who rely on saccharin products for dietary or health reasons," stated Robert H. Kellen, president of the Calorie Control Council.

The ERI review, published in the April issue of the *American Journal of Public Health,* was undertaken to provide an independent analysis of the NCI data by expert epidemiologists. The NCI study is the largest-ever bladder cancer study, comparing the various lifestyle factors of over 3,000 bladder cancer patients to those of almost 6,000 controls.

The preliminary results of the NCI study were released in April, 1980. They concluded that "in the total study group (9,000 individuals), there was no evidence of increased risk with the long-term use of AS (artificial sweeteners—saccharin and cyclamate) in any form or with use that began decades ago." These preliminary results also raised the possibility that certain subgroups of users of non-nutritive sweeteners might be at an increased risk for bladder cancer. However, the study authors pointed out that such data "could be ascribed to chance variation in subgroups of a study which, overall, shows no association between artificial sweeteners use and bladder cancer."

The recent ERI analysis attributed the potential adverse findings in the NCI study's two small subgroups (females normally at low risk for bladder cancer and heavy smoking males) to a chance association. "We concluded that the data provided little evidence that non-nutritive sweeteners increase risk for bladder cancer among subgroups of users," ERI researchers said.

In an editorial in the same issue

(Continued on page 17)

Sales range	Number of establish-ments	Percent of total	Cumulative percent of total	Estimated wholesale sales volume*	Percent of total	Estimated cumulative wholesale sales volume*	Cumulative percent of total	Estimated gallonage volume*	Percent of total	Estimated cumulative gallonage volume*	Cumulative percent of total
$50 million or more	2	.62	.62	$100,000	17.2	$110,000	17.27	95,000	15.29	95,000	15.29
$25 to $50 million	0	.00	.62	$0	.0	$110,000	17.27	0	.00	95,000	15.29
$10 to $25 million	5	1.54	2.16	$87,500	13.7	$197,500	31.00	75,000	12.07	170,000	27.36
$5 to $10 million	16	4.94	7.10	$120,000	18.8	$317,500	49.84	104,000	16.74	274,000	44.10
$3 to $5 million	11	3.40	10.49	$44,000	6.9	$361,500	56.75	38,500	6.20	312,500	50.30
$2 to $3 million	16	4.94	15.43	$40,000	6.2	$401,500	63.03	40,000	6.44	352,500	56.74
$1 to $2 million	98	30.25	45.68	$147,000	23.0	$548,500	86.11	171,500	27.60	524,000	84.34
$500,000 to $1 million	89	27.47	73.15	$66,750	10.4	$615,250	96.59	71,200	11.46	595,200	95.80
less than $500,000	84	25.93	99.07	$21,000	3.3	$636,250	99.88	25,200	4.06	620,400	99.86
subtotal	321			$636,250				620,400			
unclassified	3	.93	100.00	$750	.1	$637,000	100.00	900	.14	621,300	100.00
total	324			$637,000				621,300			

Bottled water

(Continued from page 4)

lease to customers such as water fountains, ice machines or dispensing equipment. The gallonage, however, only covers actual bottled water sales.

The number of establishments represents actual locations where filling of bottled water—naturally carbonated and noncarbonated—is done. It does not take into consideration multiple plant ownership. In other words, one firm may own more than one plant.

What the BMC figures show is that two firms, both with volumes over $50 million, control fully 17% of the total dollar volume and 15% of the total gallonage in the bottled water industry.

There are seven plants—the two in the top sales group plus five in the $10-million-to-$25-million category — which constitute 31% of total dollar volume, almost a third of the business.

Second most important in sales is the group of 16 plants in the $5 million to $10 million size. This group has $120 million in sales, 18.8%, and sells 104 million gallons, 16.7% of the total.

California dominates

BMC's research, for the first time, clearly establishes the predomination of the Far West region, and California in particular in bottled water.

This region (*see box, this page*) accounts for 38.3% of total U.S. sales; 36% of total gallonage.

California has 36.6% of sales; 34% of total gallonage.

The reason for this lead, according to BMC officials, is poor water quality in the major population centers of the state.

California is also the home base for the two $50-million-plus filling plants.

The next most important area in terms of bottled water sales is the Mideast region which includes the states of Delaware, Maryland,

Region	Number of establishments	Estimated wholesale sales volume*	Estimated gallonage volume*
Alaska	1	$ 750	800
Arizona	7	$13,250	12,500
Arkansas	6	10,500	9,950
California	42	33,500	211,500
Colorado	5	8,750	8,900
Connecticut	6	9,250	10,300
Florida	25	40,750	43,350
Georgia	2	2,750	2,800
Hawaii	1	250	300
Idaho	2	1,000	1,100
Illinois	13	31,750	30,100
Indiana	4	2,750	3,150
Iowa	4	2,750	3,150
Kansas	3	2,500	2,850
Kentucky	4	2,250	2,650
Louisiana	5	14,000	12,850
Maine	3	9,250	8,550
Maryland	5	4,750	5,400
Massachusetts	9	21,250	19,750
Michigan	5	8,000	8,100
Minnesota	4	10,500	9,850
Mississippi	1	250	300
Missouri	4	2,750	3,150
Montana	3	750	900
Nebraska	1	1,500	1,750
Nevada	4	6,000	7,000
New Jersey	13	31,000	30,050
New Mexico	4	2,000	2,200
New York	15	34,000	32,400
North Carolina	5	2,750	3,000
North Dakota	3	750	900
Ohio	17	17,000	19,650
Oklahoma	2	2,250	2,550
Oregon	4	2,000	2,200
Pennsylvania	30	28,000	30,500
Rhode Island	4	2,750	3,150
South Dakota	1	250	300
Tennessee	5	4,000	4,450
Texas	25	52,250	50,800
Utah	2	1,750	2,050
Vermont	1	250	300
Virginia	5	3,250	3,500
Washington	3	1,750	1,900
West Virginia	4	3,250	3,650
Wisconsin	8	5,250	5,850
Wyoming	3	750	900

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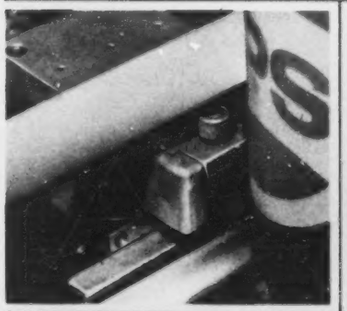

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Regional breakdown

New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont.

Mideast: Delaware, District of Columbia, Maryland, New Jersey, New York, Pennsylvania.

Great Lakes: Illinois, Indiana, Michigan, Ohio, Wisconsin.

Plains: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota.

Southeast: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virgina.

Southwest: Arizona, New Mexico, Oklahoma, Texas.

Rocky Mountain: Colorado, Idaho, Montana, Utah, Wyoming.

Far West: Alaska, California, Hawaii, Nevada, Oregon, Washington.

New Jersey, New York, Pennsylvania and District of Columbia. 15.3% of total sales and 15.8% of total gallonage are sold in this region. There are also more individual filling locations in this area: 63.

The Southeast—Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia — has 62 plants which have 13.1% of total sales and 13.9% of total gallonage.

Texas is the kingpin of the fourth ranking region. With $52 million in sales and 50.8 million gallons, it ranks second behind California. The Southwest region — Arizona, New Mexico, Oklahoma, Texas — has 10.9% of total sales and gallonage.

Other regions and their shares of sales and gallonage are: Great Lakes, 10.2%, 10.7%; New England, 6.7%, 6.8%; Plains, 3.3% 3.5% and Rocky Mts., 2.0%, 2.2%.

To obtain a copy of the complete report, contact Beverage Marketing Corp., 2670 Commercial Ave., Mingo Junction, OH 43938; Phone 614-598-4133 or phone, in New York, 212-688-7640.

National rollout for Soft Wines

HAMMONDSPORT, NY—The Taylor Wine Company, located here, has instituted a national rollout of Lake Country Soft Wines.

"Lake Country Soft wines are designed to meet the increasing demand for refreshment wines meant to be served ice cold, as evidenced by the dramatic growth in Italian lambruscos," said Merryl Scott, brand manager of The Wine Spectum.

Rollout of the soft wines follows successful test market results in Albany, Atlanta, Miami, Raleigh-Durham and Syracuse. Soft red, white and pink wines are available nationwide in 170 ml and 1.5-L sizes; they retail for about $2.99 and $4.99 respectively.

The rollout is supported by a radio ad campaign to run in 19 markets. The commercials, created by Kenyon & Eckhardt Advertising, New York City, are aimed at adults, aged 21-54.

A POS campaign featuring shelf talkers, case cards and cold box stickers for off-premise use and table tents for on-premise use reinforce ads for the brand.

New labels, designed by the Chajet Design Group, New York City, incorporate the Taylor logo and visually distinguish the new soft wines from Lake Country table wines and the rest of the Taylor line.

Labeling

(Continued from page 1)

The consumer groups' request serves as a voluntary means of circumventing the Bureau of Alcohol, Tobacco and Firearms' November rescission of its ingredients labeling regulation, which CSPI has challenged in district court here.

But both the Departments of Health and Human Services and Treasury have already concluded that alcohol warning labels are not necessary, and "those responsible in government have repeatedly found that ingredient labels would serve no useful purpose," noted the Distilled Spirits Council of the U.S. in response to the groups' voluntary labeling proposal.

Furthermore, industry has already mounted several voluntary educational and scientific programs so the public is aware of responsible drinking behavior. For instance, the Beverage Alcohol Information Council (BAIC) comprised of 10 trade associations including the U.S. Brewers Association and the Wine Institute, has instituted public education campaigns on the hazards of drinking and pregnancy and alcoholism as a treatable disease.

And the Wine Institute is involved in the Community Mobilization for Action Program, where the institute funds and the Alcoholism Council of California conducts educational programs on alcoholism throughout 10 counties.

The Wine Institute also has a strong code of advertising standards which stressed that wine is a table beverage to be consumed with foods; ads are not aimed at youth; the product is not presented as essential to social attainment or success; and wine is not shown or associated with driving.

Sapporo

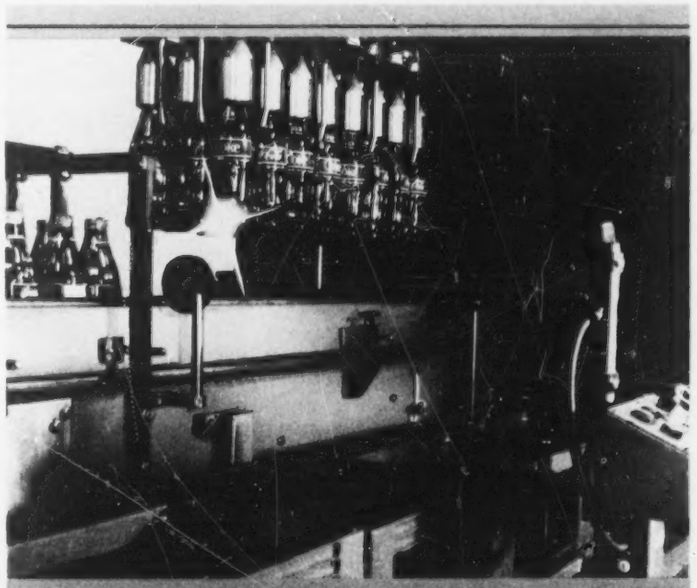
(Continued from page 4)

shape after hot-filling. The one-piece bottle is reinforced at the neck; the closure is applied roll-on aluminum. Uesugi added that the ribbed design also helps prevent the bottle from slipping out the consumer's hand.

The second PET bottle is the first (April, '82) single-service beer bottle on the market. It contains 340 ml (about 12 oz.) of Sapporo draft beer.

Resin is supplied by Toray Co. The bottle has a fitted petaloid bottom and an easy-open wide-mouth lip cap; the closure is peel-off aluminum.

Both these bottles are made entirely in Japan, said Uesugi. Yoshino makes the blow-molding equipment. Yoshino and Sapporo were also the first to come out with a PET beer container, in a 2-L size *(See* **BI**, *May 8, 1981, pg. 20)*.



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